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RNA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Announcement relating to Proposed Capital Reorganization and Debt Restructuring of the Company and certain subsidiaries and General mandate to issue New Shares

Reference is made to the Company's announcement dated 12 March 2003 (the "Announcement"). Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the Announcement.

It is one of the conditions of the Debt Restructuring that the Subscription Agreements entered into by the Participating Creditors and the Company on or before 31 March 2003 should represent not less than 90% of total claims due to the Participating Creditors of approximately HK\$829 million as at 3 March 2003. This condition, which was laid down by certain Participating Creditors as a condition to their respective participation in the Debt Restructuring, was not fulfilled due to more time required to finalize the relevant legal documents. Since then, these Participating Creditors have continued to consider the proposed Debt Restructuring and considered extending the said deadline. On 10 April 2003, these Participating Creditors were satisfied with overall acceptance level of the proposed Debt Restructuring and agreed in writing to waive this condition.

As at 3 March 2003, the total unaudited indebtedness of the Group amounted to approximately HK\$1,134 million (it was stated as HK\$1,120 million in the Announcement) and the total claims due to the Participating Creditors were approximately HK\$826 million (it was stated as HK\$829 million in the Announcement), of which the Participating Creditors with aggregate claims of approximately HK\$755 million have signed the Subscription Agreements and/or agreements with similar terms and conditions as at 10 April 2003, representing 91.4% of total indebtedness owed to the Participating Creditors. The Company continues to be under negotiation with the Participating Creditors with aggregate claims of approximately HK\$12 million, which is expected to be finalized shortly, whilst the Company has made and will continue to make standstill arrangements with eight of the Participating Creditors with aggregate claims of approximately HK\$59 million soon whereby instead of immediate debt repayment due on the Group, the Company and these Participating Creditors have agreed and will agree to postpone their debt repayments by designated time periods. The remaining debt balance of HK\$308 million (it was stated as HK\$291 million in the Announcement) will not be dealt with in the Debt Restructuring since most of them are long term debts, and short term payables which will be repaid in normal course of business.

The Company will endeavour to arrange for the despatch of the Circular as soon as practicable.

By Order of the Board
RNA Holdings Limited
Chan Fat Chu, Raymond
Chairman

Hong Kong, 15 April 2003

Please also refer to the published version of this announcement in The Standard.